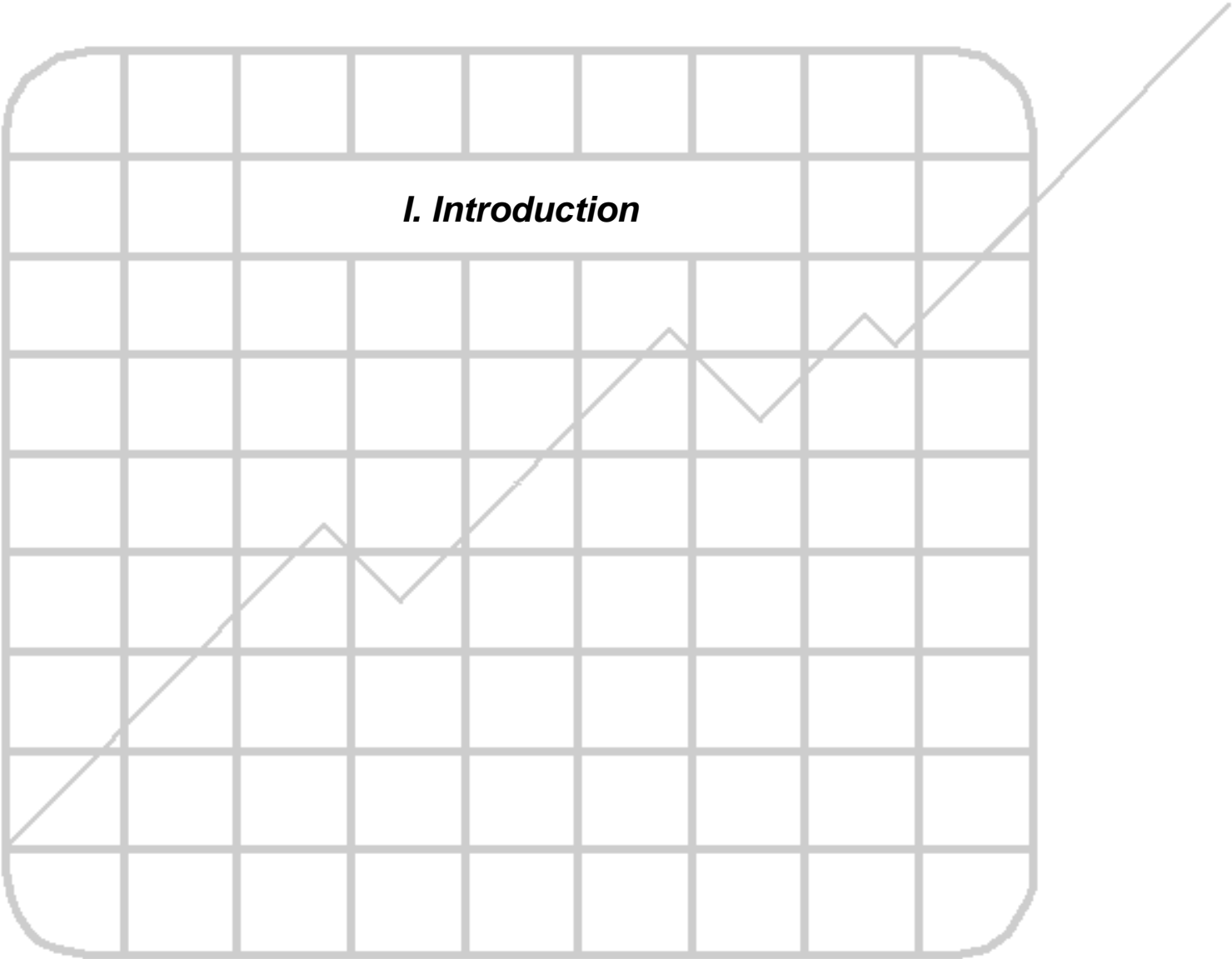


***Albuquerque Bernalillo County Water Utility Authority
Residential and Commercial Customer Opinion Survey
April 2006***



Methodology

This research study was commissioned by the Albuquerque Bernalillo County Water Utility Authority. The purpose of the study was to measure customers' satisfaction with the services the utility provides. The study also measured awareness of various water utility projects and the importance of various services and programs.

The Interview

A random sample of 500 Residential customers and 100 Commercial customers was interviewed by telephone. Residential customers are defined as Albuquerque Metro area residents who are serviced by the Albuquerque Bernalillo County Water Utility Authority whether or not they pay a water utility bill. In this way we were able to survey renters who receive water service, but do not actually pay for the service. Commercial customers were selected randomly from a list provided by the ABCWUA. All interviews were conducted between March 6th and 19th, 2006.

The telephone interviewers are professionals who are brought together for a training session prior to each survey. This ensures their complete and consistent understanding of the survey instrument

Margin of Error

A sample size of 500 at a 95% confidence level provides a maximum margin of error of approximately 4.4%. In theory, in 95 out of 100 cases, the results based on a sample of 500 will differ by no more than 4.4 percentage points in either direction from what would have been obtained by interviewing all Residential customers.

Sample Bias

In any survey, there are some respondents who will refuse to speak to the professional interviewer. A lower response rate among certain types of individuals can result in a sample wherein certain types of individuals are over-represented or under-represented. The potential for sampling bias increases as the response rate decreases. Research & Polling, Inc. often sets quotas for various segments of the population who are historically undercounted. This has the effect of minimizing, but not necessarily eliminating, sampling bias.

The Report

This report summarizes the results from each question in the survey and reports on any variances in attitude or perception, where significant, among demographic subgroups. The subgroups examined in this report include: gender, age, education, household income, home ownership, region and ethnicity.

Executive Summary

Overall, customers of the Albuquerque/Bernalillo Water Utility express a high level of satisfaction with their water and sewer services. In fact, approximately nine-in-ten Residential (87%) and Commercial customers (88%) say they are *very satisfied* with the reliability and availability of their water service. Those who have contacted the water utility also give the customer representatives high marks for the service they provided. Overall, 70% of the Residential customers and 79% of Commercial customers feel the customer service they received about an inquiry was either *good* or *excellent*, while very few rated the customer service poorly. Furthermore, approximately nine-in-ten customers feel as though they are receiving a good value for the water and service they receive.

Water Quality

The vast majority of customers express satisfaction with the quality of their drinking water. In fact, over four-fifths of Residential customers say they are either *very satisfied* (50%) or *somewhat satisfied* (32%) with the quality of their drinking water, though 16% express dissatisfaction. Although most customers express satisfaction with the quality of their drinking water, nearly two-thirds of Residential customers say they use bottled water or filtered tap water for drinking or cooking either *most of the time* (40%) or *some of the time* (24%). It should be noted that 72% of the Commercial customers use bottled or filtered water *most of the time*. Taste and convenience are the two primary reasons given for using bottled or filtered water.

Awareness of Water Source

When asked specifically, 52% of Residential customers say Albuquerque's water comes from an underground aquifer and another 19% say it comes from both surface and ground water. However, 30% are unsure of our water source or believe it comes exclusively from the surface or some other source. Similar results are observed among the Commercial customers.

Respondents were informed that a project is under way to create a new source of water for Albuquerque by diverting water from the Rio Grande into large treatment centers. When asked if they have any concerns about this project, 35% of Residential customers suggested the water might not be clean, while 11% expressed concern about the level/flow of the river and 9% say they were concerned about the expense of the project. Approximately two-fifths (38%) of Residents did not express any concerns about the water diversion and treatment project. Clearly the water utility will have to further address the water cleanliness issue as the project becomes better known.

In terms of the actual awareness of the surface water projects, it is observed that less than two-fifths (37%) of Residential customers and less than half of Commercial customers (45%) are *somewhat* or *very knowledgeable* about the San Juan-Chama Water project. Furthermore, less than half of the Residential customers (45%) are knowledgeable of the depletion of the Albuquerque basin aquifer. Recent mailings by the water utility are a good step toward increasing awareness of the San Juan-Chama Water Project and the steps being taken to ensure safe drinking water. However, increasing awareness and allaying concerns will take time and a wide variety of media outlets should be considered to reach and inform the public.

Importance of Water Related Programs and Services

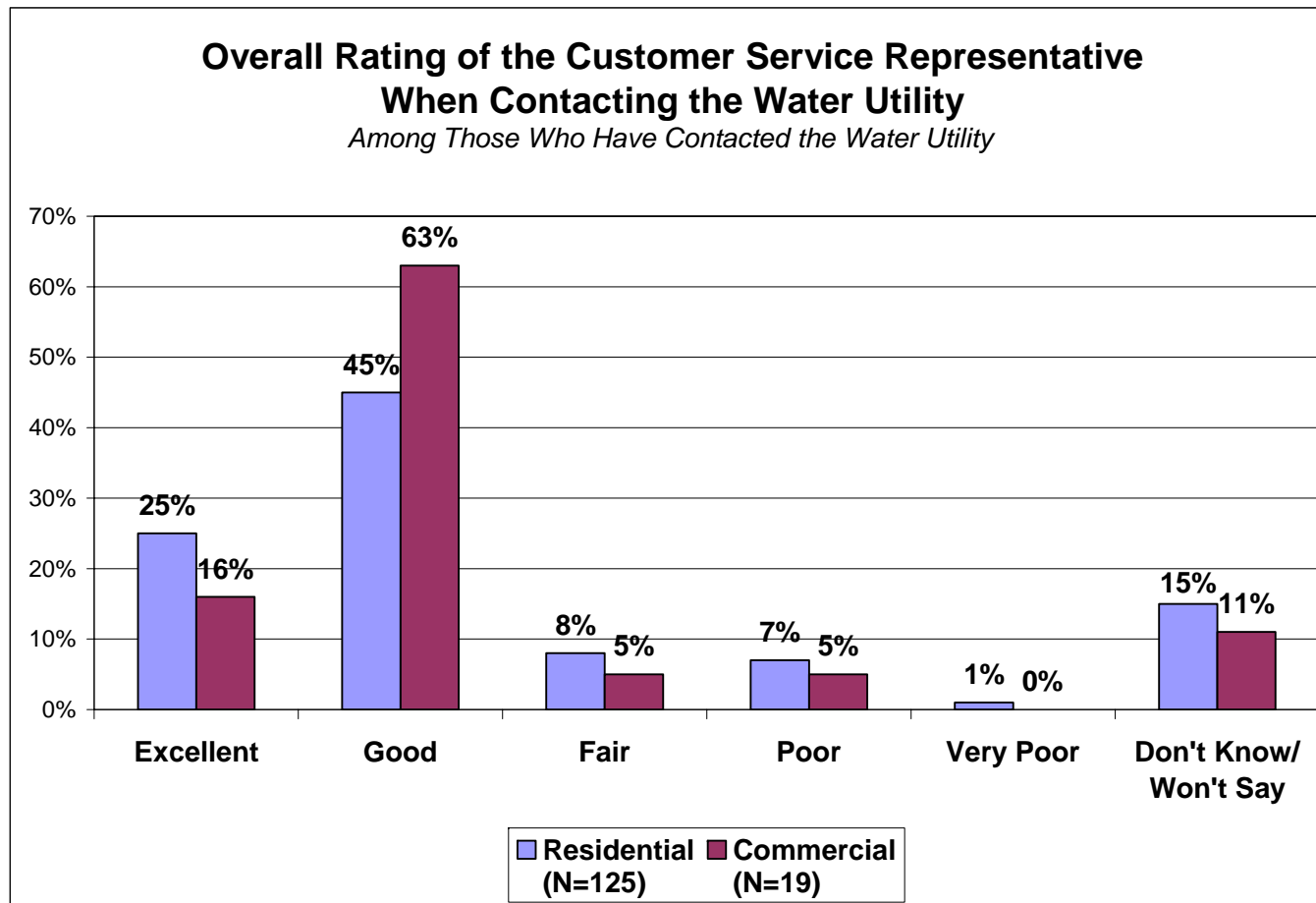
The importance of the San Juan-Chama project cannot be overstated considering the fact that over four-fifths of both Residential (82%) and Commercial (84%) customers say it is important to provide a long-term water supply for future generations. Over 80% of all customers also say it is important for the water utility to increase conservation programs, enforce existing laws on water waste, reuse treated waste water to irrigate public places, and balance population and economic growth with our water availability.

Satisfaction With Customer Service at Albuquerque/Bernalillo Water Utility Authority <i>Among Those Who Pay a Water/Sewer Bill and Have Contacted the Utility Company About a Problem</i> (Summary Table) <i>Ranked by Highest Percentage “Yes, Have Contacted” - Residential</i>						
	Yes, Have Contacted	Satisfaction Levels With Contact With Albuquerque/Bernalillo Water Utility				
		Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Don't Know/ Won't Say
Problems or questions with a water (sewer) bill Residential (N=53) Commercial (N=8)	11% 8%	46% 25%	28% 50%	6% -	12% 25%	9% -
Questions about meter readings Residential (N=45) Commercial (N=6)	9% 6%	39% 67%	25% 17%	18% -	10% 17%	7% -
New connection for service Residential (N=40) Commercial (N=5)	8% 5%	69% 100%	20% -	- -	- -	11% -
Water service interruption or main line break Residential (N=28) Commercial (N=4)	6% 4%	55% 25%	34% 75%	3% -	- -	8% -
Advice on water conservation or leak prevention Residential (N=27) Commercial (N=4)	6% 4%	50% 50%	12% 25%	8% 25%	10% -	20% -

The table above shows the percentage of Residential and Commercial customers who have contacted the Albuquerque/Bernalillo Water Utility for various issues and their level of satisfaction with the service they received.

Overall, 11% of Residential customers and 8% of Commercial customers have contacted the water utility because of problems or questions about their bill. Three-quarters of Residential customers who have contacted the water utility with a question about their bill say they are either *very satisfied* (46%) or *somewhat satisfied* (28%) with the service, as are 75% of Commercial customers who had a question or problem with their bill.

Nine percent of Residential customers contacted the water utility with questions about their meter and 63% of these respondents are at least *somewhat satisfied* with their experience, though 28% are dissatisfied. The majority of both Commercial and Residential customers who have contacted the water utility for a new service connection express satisfaction with the service they received, as have those who called about a service interruption or called seeking advice on water conservation or leak prevention.



Residential and Commercial users who have contacted a water utility customer service representative for any reason were asked to rate the overall quality of service provided. As shown above, 70% of the Residential users rate their experience with the customer service representative as either being *good* (45%) or *excellent* (25%), while just 8% give a *fair* rating and another 8% rate the customer service representatives poorly. Approximately four-fifths of Commercial users also rate the customer service representatives they contacted as being either *good* (63%) or *excellent* (16%).

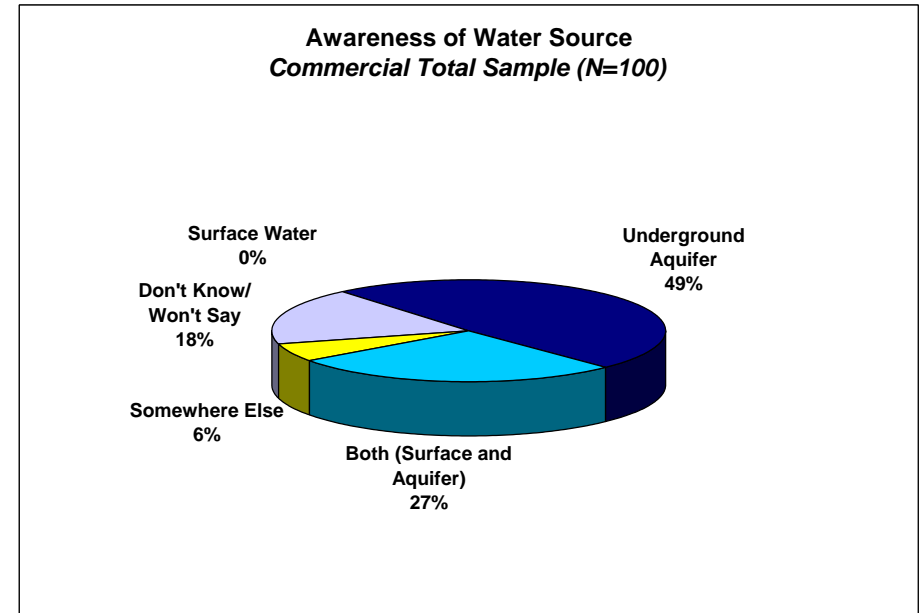
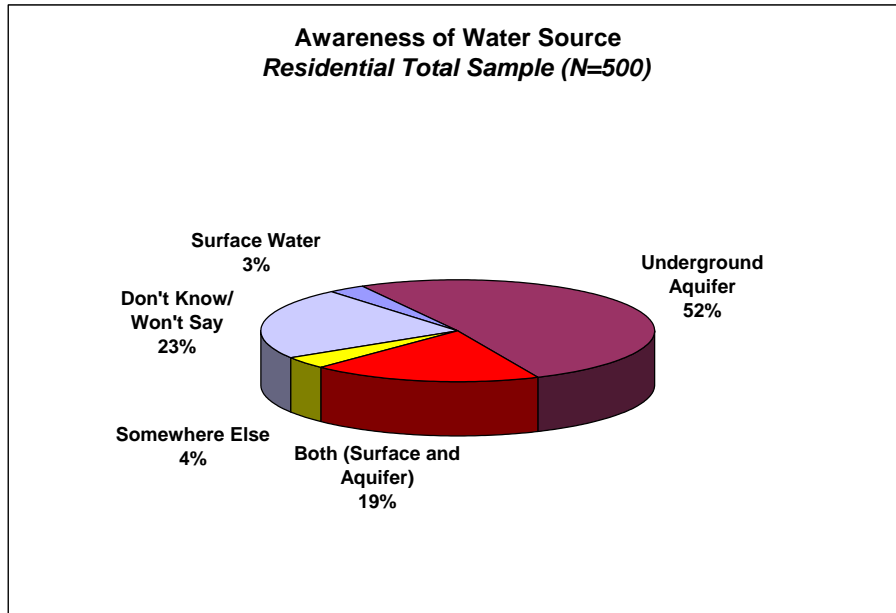
Overall Satisfaction With the Services Received From the Albuquerque/Bernalillo Water Utility <i>Among Those Who Pay Water or Sewer Bills To the City of Albuquerque</i> Residential Total Responses (N=482) Commercial Total Responses (N=100) Ranked by Highest Percentage "Very Satisfied" - Residential					
	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Don't Know/ Won't Say
Reliability and availability of water to your home/business					
Residential	87%	11%	*	*	1%
Commercial	88%	10%	-	-	2%
Billing payment options					
Residential	55%	27%	3%	1%	14%
Commercial	56%	24%	1%	-	19%
Billing statement accuracy					
Residential	53%	36%	4%	1%	5%
Commercial	59%	29%	3%	1%	8%
Quality of drinking water					
Residential	50%	32%	10%	6%	2%
Commercial	48%	35%	4%	2%	11%
Education on water issues and conservation programs					
Residential	36%	30%	8%	4%	22%
Commercial	31%	29%	3%	2%	35%

* Less than 1% reported

Respondents were asked to rate their overall level of satisfaction with various services they receive from the Albuquerque/Bernalillo Water Utility. As shown above the vast majority of both Residential (87%) and Commercial users (88%) say they are *very satisfied* with the reliability and availability of water to their home/business. The majority of Residential (55%) and Commercial (56%) customers also say they are *very satisfied* with the billing payment options, with approximately one-quarter of both types of customers saying they are *somewhat satisfied*.

Approximately nine-in-ten of both Residential (89%) and Commercial (88%) customers express satisfaction with the accuracy of their billing statements. The vast majority of Residential customers say they are either *very satisfied* (50%) or *somewhat satisfied* (32%) with the quality of drinking water, though 16% express dissatisfaction. The large majority of Commercial customers also express satisfaction with the quality of the drinking water (48% are *very satisfied*). Two-thirds of Residential customers (66%) and three-fifths of Commercial customers express satisfaction with the education provided on water issues and conservation programs, though many customers have no opinion on the issue.

It should be noted that residents in the Far Heights (93%) and Mid Heights (90%) are more inclined than residents in the Valley/Downtown area to be *very satisfied* with the reliability and availability of service.



Residential and Commercial customers were asked what they believe is the source of Albuquerque's tap water. As shown above, 52% of Residential customers believe our tap water comes from an underground aquifer, while just 3% say it comes only from the surface and 19% say it comes from both the aquifer and surface water. Approximately one-quarter of residential customers are unsure of where our water comes from (23%) or believe it comes from a source other than the aquifer or surface (4%).

Approximately half (49%) of the Commercial customers also believe our tap water comes only from an underground aquifer, while 27% say it comes from both the aquifer and the surface. Approximately one-quarter of Residential customers are unsure of where our water comes from (18%) or believe it comes from some source other than the aquifer or the surface (6%).

Awareness of Albuquerque's water source is highest among men, those with higher levels of education and Anglo residents.

Concerns About Switching From an Underground Water Source To Using Treated Surface Water

(Top 7 Unaided Responses)

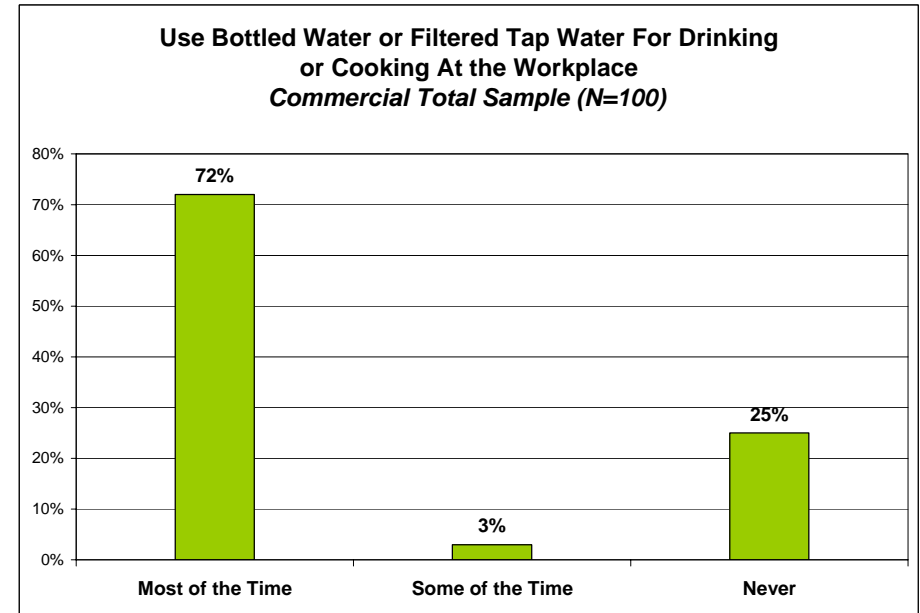
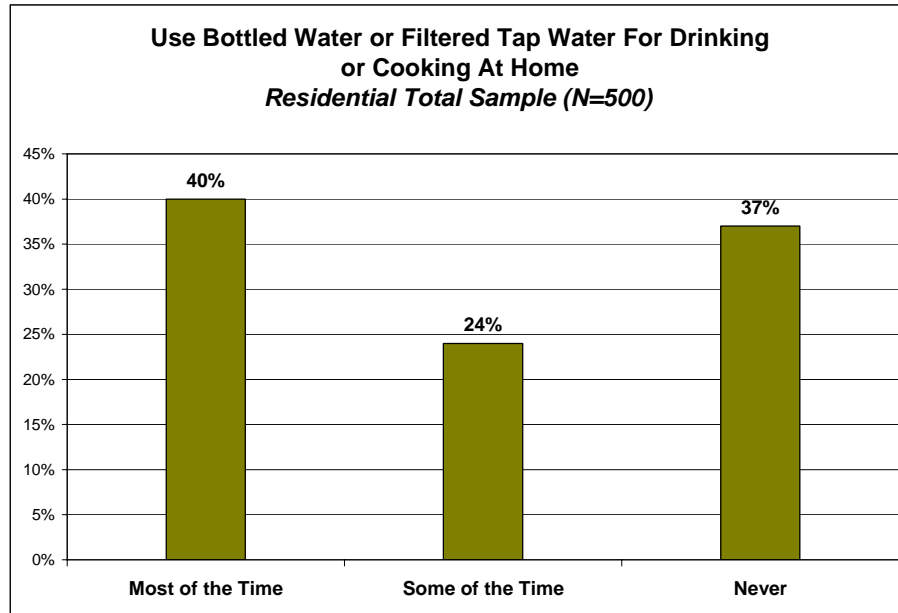
	<i>Residential Total Sample (N=500)</i>	<i>Commercial Total Sample (N=100)</i>
Water not clean	35%	11%
River water level/flow is too low to adequately divert	11%	7%
Expensive	9%	4%
Will further reduce water level/flow of river	8%	3%
Will hurt the environment	6%	2%
Do not have any concerns	32%	45%
Don't know/won't say	6%	5%

Note: The sum of the percentages exceeds 100% due to multiple responses.

Respondents were informed that a project is underway to create a new source of water for Albuquerque by diverting water from the Rio Grande into large treatment centers. They were then asked in an unaided, open-ended manner if they have any concerns about switching from an underground water source to using treated surface water.

As shown above, 35% of Residential customers express concern about the water not being clean, while 11% are concerned about the level/flow of the river, and 9% are concerned about the expense of the project. Approximately two-fifths (38%) of Residents did not express any concerns about the water diversion and treatment project. It should be noted that Hispanic Residential customers are more inclined than Anglos to express concern about the cleanliness of treated water (40% and 28%, respectively).

Among the Commercial customers, it is observed that 11% express concern about the water not being clean, while 7% mention river levels/flow and 4% mention expense. Half of the Commercial customers do not express any concerns about the water diversion and treatment project.



Overall, 40% of Residential customers say they use bottled or filtered tap water *most of the time* and 24% do so *some of the time*. Thirty-seven percent of Residential customers say they *never* use bottled or filtered water. Among Commercial customers, it is observed that 72% say they use bottled or filtered tap water *most of the time*, while 3% do so *some of the time*.

It is interesting to note that women (45%) are more inclined than men (34%) to say they use bottled or filtered tap water *most of the time*. Furthermore, those with a household income exceeding \$50,000 are more inclined than those earning \$50,000 or less to say they use bottled or filtered water *most of the time* (47% and 32%, respectively). Just 52% of seniors say they use bottled or filtered tap water at least *some of the time* compared to 67% of those under 65.

Reasons For Using Bottled Water or Filtered Tap Water For Drinking or Cooking

Among Those Who Use Bottled or Filtered Water

<i>(Top 7 Unaided Responses)</i>		
	<i>Residential Total Responses (N=317)</i>	<i>Commercial Total Responses (N=75)</i>
Taste	53%	25%
Convenience	35%	39%
Impurities	16%	9%
Health	14%	8%
Chemicals	12%	12%
Lack of confidence	11%	11%
Odor	6%	6%

Note: The sum of the percentages exceeds 100% due to multiple responses.

Those who use bottled or filtered tap water were asked in an unaided, open-ended manner to give the reasons why they do so. The majority (53%) of Residential respondents say they use bottled/filtered water because of the taste, while 35% say it is convenience, 16% mention impurities in their tap water and 14% cite health reasons.

Commercial customers are most apt to cite convenience as a reason for using bottled or filtered tap water (39%), followed by taste (25%), perceived chemicals in their tap water (12%) and lack of confidence in their tap water (11%).

Knowledge of Various Water Projects and Issues (Summary Table) <i>Residential Total Sample (N=500)</i> <i>Commercial Total Sample (N=100)</i> <i>Ranked by Highest Percentage "Very Knowledgeable" - Residential</i>					
	Very Knowledgeable	Somewhat Knowledgeable	Slightly Knowledgeable	Have No Knowledge Of	Don't Know/ Won't Say
Preservation of silvery minnow by providing funding and physical facilities at the Albuquerque BioPark for captive breeding					
Residential	13%	38%	23%	25%	1%
Commercial	13%	38%	14%	33%	2%
Riverbank restoration including removal of non-native trees					
Residential	11%	31%	20%	38%	*
Commercial	12%	35%	10%	42%	1%
Depletion of the Albuquerque basin aquifer					
Residential	10%	35%	25%	29%	1%
Commercial	7%	47%	16%	29%	1%
San Juan-Chama Water Project					
Residential	7%	30%	25%	38%	*
Commercial	11%	34%	11%	43%	1%
The North I-25 Industrial Recycling Project					
Residential	3%	10%	14%	72%	1%
Commercial	2%	18%	5%	73%	2%
Northside Non-Potable Surface Water Reclamation Project					
Residential	3%	8%	9%	79%	1%
Commercial	1%	13%	6%	79%	1%

* Less than 1% reported.

Respondents were asked to rate their level of knowledge about various water projects and issues in the area. As shown above, approximately half of both Residential and Commercial customers say they are either *very knowledgeable* (13%) or *somewhat knowledgeable* (38%) of the preservation of the silvery minnow by providing funding for captive breeding in the BioPark. Forty-two percent of Residential customers and 47% of Commercial customers say they are at least *somewhat knowledgeable* of riverbank restoration projects.

Forty-five percent of Residential customers and 54% of Commercial customers say they are at least *somewhat knowledgeable* about the depletion of the Albuquerque basin aquifer. However, less than half of the Residential (37%) and Commercial (45%) customers are at least *somewhat knowledgeable* about the San Juan-Chama Water Project, with few saying they are *very knowledgeable*. Men are more inclined than women to be aware of both the depletion of the aquifer and of the San Juan-Chama Water Project. There are very low levels of awareness about the North I-25 Industrial Recycling Project and the Northside Non-Potable Surface Water Reclamation Project.

Importance of Water Conservation and Environmental Issues (Summary Table)

Residential Total Sample (N=500)

Ranked by Highest Percentage "Very Important"

	Very Important 5	4	3	2	Not At All Important 1	Don't Know/ Won't Say	Mean †
Providing a long-term water supply for future generations.	82%	11%	3%	2%	1%	-	4.7
Increasing water conservation programs.	66%	19%	11%	3%	1%	1%	4.5
Enforcing laws on water waste.	64%	22%	8%	4%	3%	*	4.4
Reusing treated wastewater to irrigate public spaces.	64%	21%	9%	1%	4%	1%	4.4
Balancing population and economic growth with our water availability.	57%	22%	16%	3%	1%	2%	4.3
Improving regional water quality.	52%	24%	17%	3%	2%	2%	4.2
Investing in the repair and replacement of old water and sewer lines.	51%	31%	14%	1%	1%	2%	4.3
Providing more <u>outdoor</u> conservation rebates.	42%	25%	20%	4%	6%	3%	4.0
Providing more <u>indoor</u> conservation rebates.	38%	25%	23%	4%	6%	3%	3.9
Balancing customer water demand with protection of habitat for wildlife and vegetation in the Rio Grande corridor.	32%	28%	25%	7%	5%	2%	3.8
Making water available to attract and keep high-tech industries that offer good paying jobs.	30%	27%	27%	8%	7%	2%	3.7
Providing more billing payment options.	14%	13%	24%	12%	31%	6%	2.7

* Less than 1% reported.

† The mean score is derived by taking the average score based on the 5-point scale. The Very Important response is assigned a value of 5; the Not At All Important response is assigned a value of 1. The Don't Know/Won't Say responses are excluded from the calculation of the mean.

Respondents were asked to rate the importance of various water programs and services using a 5-point scale where 5 is *very important* and 1 is *not at all important*. As shown on the preceding page, Residential customers place the highest priority on having future water supplies as 93% say it is important (a combined score of 4 and 5) to provide a long-term water supply for future generations, with 82% saying this is *very important*. The vast majority of Residential customers also say it is important to increase water conservation programs (85%), enforce laws on water waste (86%), and reuse treated wastewater to irrigate public spaces (85%).

Over three-quarters of the Residential customers also say it is important to balance population and economic growth with our water availability (79%), to improve regional water quality (76%) and to invest in the repair and replacement of old water and sewer lines (82%).

Two-thirds of Residential customers feel it is important to provide more outdoor conservation rebates and 63% feel it is important to provide indoor conservation rebates. Three-fifths also believe it is important to balance customer water demand with the protection of habitat for wildlife and vegetation in the Rio Grande corridor, while 57% say it is important to make water available to attract and keep high-tech industries that offer good paying jobs. Finally, just 27% feel it is important for the water authority to provide more billing payment options (43% say this is unimportant as indicated by a score of 1 or 2).

Importance of Water Conservation and Environmental Issues (Summary Table)

Commercial Total Sample (N=100)

Ranked by Highest Percentage "Very Important"

	Very Important 5	4	3	2	Not At All Important 1	Don't Know/ Won't Say	Mean †
Providing a long-term water supply for future generations.	84%	12%	4%	-	-	-	4.8
Balancing population and economic growth with our water availability.	62%	25%	10%	-	2%	1%	4.5
Reusing treated wastewater to irrigate public spaces.	62%	22%	10%	2%	2%	2%	4.4
Enforcing laws on water waste.	59%	18%	17%	4%	2%	-	4.3
Improving regional water quality.	56%	26%	13%	3%	1%	1%	4.3
Increasing water conservation programs.	51%	25%	15%	6%	1%	2%	4.2
Investing in the repair and replacement of old water and sewer lines.	46%	40%	12%	1%	-	1%	4.3
Providing more <u>outdoor</u> conservation rebates.	41%	21%	25%	6%	4%	3%	3.9
Balancing customer water demand with protection of habitat for wildlife and vegetation in the Rio Grande corridor.	39%	27%	22%	5%	4%	3%	3.9
Providing more <u>indoor</u> conservation rebates.	38%	22%	30%	6%	2%	2%	3.9
Making water available to attract and keep high-tech industries that offer good paying jobs.	33%	30%	25%	5%	6%	1%	3.8
Providing more billing payment options.	13%	15%	21%	16%	30%	5%	2.6

† The mean score is derived by taking the average score based on the 5-point scale. The Very Important response is assigned a value of 5; the Not At All Important response is assigned a value of 1. The Don't Know/Won't Say responses are excluded from the calculation of the mean.

Commercial customers were also asked to rate the importance of various water programs and services. As observed with the Residential customers, Commercial customers are most apt to say it is important to provide a long-term water supply for future generations, with 84% saying this is *very important*. The vast majority of Commercial customers also say it is important to balance population and economic growth with our water availability (87%), reuse treated wastewater to irrigate public spaces (84%), invest in the repair and replacement of old water and sewers lines (86%), and improve regional water quality (82%).

Approximately three-quarters of the Commercial customers feel it is important to enforce laws on water waste (77%) and to increase water conservation programs (76%). Furthermore, two-thirds feel it is important to balance customer water demand with the protection of habitat for wildlife and vegetation in the Rio Grande corridor.

Just over three-fifths feel it is important to provide more outdoor conservation rebates (62%) and 60% feel it is important to provide indoor conservation rebates. Just over three-fifths (63%) also say it is important to make water available to attract and keep high-tech industries that offer good paying jobs. Finally, just 28% feel it is important for the water authority to provide more billing payment options (46% say this is unimportant).

Agreement With Statements About Water Rates and Services (Summary Table) <i>Residential Total Sample (N=500)</i> <i>Commercial Total Sample (N=100)</i> <i>Ranked by Highest Percentage "Strongly Agree" - Residential</i>					
	<i>Strongly Agree</i>	<i>Somewhat Agree</i>	<i>Somewhat Disagree</i>	<i>Strongly Disagree</i>	<i>Don't Know/ Won't Say</i>
Water and sewer services are a good value for the amount of money I pay. Residential Commercial	41% 28%	46% 61%	5% 7%	3% 2%	4% 2%
Because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives. Residential Commercial	28% 31%	36% 53%	18% 6%	12% 6%	7% 4%
Water rates should be increased to cover the cost of providing a reliable water supply for future generations. Residential Commercial	21% 33%	42% 48%	17% 13%	18% 4%	3% 2%
Water rates should be increased to cover the true costs to treat and deliver water to our homes and businesses. Residential Commercial	16% 33%	35% 47%	25% 11%	20% 6%	5% 3%
Water rates should be increased to encourage water conservation. Residential Commercial	12% 19%	28% 41%	22% 19%	35% 19%	3% 2%

Customers were asked to rate how strongly they agree or disagree with various statements relating to water rates and services. As shown above, 87% of Residential and 89% of Commercial customers either *somewhat* or *strongly agree* their water and sewer services are a good value for the amount of money they pay. Less than one-in-ten respondents disagree. Approximately three-fifths (64%) of Residential customers and 84% of Commercial customers agree that because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives. Interestingly, 30% of Residential customers disagree with this, compared to just 12% of Commercial users.

Commercial customers are also much more likely than Residential customers to at least *somewhat agree* that water rates should be increased to cover the cost of providing a reliable water supply for future generations (81% and 63%, respectively). It should be noted that only 21% of Residential customers *strongly agree* and over one-third disagree.

Commercial customers are twice as likely as Residential customers to *strongly agree* that water rates should be increased to cover the true costs to treat and deliver water to our homes and businesses (33% and 16%, respectively). In total, four-fifths of Commercial customers *somewhat* or *strongly agree* compared to 51% of Residential users. There are many Residential customers (45%) who disagree. Finally, it is observed that three-fifths of Commercial customers feel water rates should be increased to encourage water conservation compared to 40% of Residential customers. More than half (57%) of Residential users and 38% of Commercial respondents disagree with the notion of raising water rates as a way to encourage conservation.